

Section J, Attachment J-10

Occupational Medical Services Contract

Fiscal Year (FY) 2016 - October 1, 2015 through September 30, 2016

Performance Evaluation and Measurement Plan (PEMP)

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1.0 INTRODUCTION

This is the basis for the Occupational Medical Services at Hanford evaluation of the contractor's performance and for presenting an assessment of that performance to the Fee Determining Official (FDO). It describes specific criteria and procedures used to assess the contractor's performance under the Firm-Fixed-Price portion of the contract (in accordance with *Section B.1*) and to determine the amount of fee earned. For the purpose of this document, the term "Performance Evaluation and Measurement Plan" is synonymous with the term "Award Fee Plan." Actual award fee determinations and the methodology for determining fee are unilateral decisions made solely at the discretion of the Government.

The fee will be provided to the contractor through contract modifications and is in addition to the Firm-Fixed-Price, Cost Reimbursement, Indefinite Delivery/Indefinite Quantity (IDIQ) provisions of the contract. The fee earned and payable will be determined by the FDO based upon review of the contractor's performance against the criteria set forth in this plan. The FDO may unilaterally change this plan prior to the beginning of an evaluation period. The contractor will be notified of changes to the plan by the Contracting Officer (CO), in writing, before the start of the affected evaluation period. Changes to this plan that are applicable to a current evaluation period will be incorporated by mutual consent of both parties.

2.0 ORGANIZATION

The award fee organization consists of: the FDO; an Award Fee Board (AFB) which consists of the Contracting Officer's Representative (COR) as chairperson, the CO, other functional area participants, and advisor members. The FDO, AFB members, and COR are listed in Appendix 1.

3.0 RESPONSIBILITIES

- a. FDO. The FDO approves the award fee plan and any significant changes. The FDO reviews the recommendation(s) of the AFB, considers all pertinent data, and determines the earned award fee amount for each evaluation period.
- b. AFB. AFB members review COR(s) evaluation(s) of the contractor's performance, consider all information from pertinent sources, prepare interim performance reports, and arrive at an earned fee recommendation to be presented to the FDO. The AFB may also recommend changes to this plan.
- c. CO. The CO is the liaison between contractor and Government personnel and shall ensure the incentive process is properly administered in accordance with agency regulations. The CO shall also modify the contract in regards to any contractual issues that may arise during the term of the contract. The CO will also coordinate the administrative actions required to complete the award fee process including distribution of evaluation reports, timely milestone completion, and accomplishing other actions related to ensure smooth operation of the process.
- d. COR. The COR maintains written records of the contractor's performance in their assigned evaluation area(s) so that a fair and accurate evaluation is obtained. The COR also prepares end-of-period evaluation reports as directed by the AFB.

4.0 FEE PROCESSES

- a. Available Fee Amount. The available fee for the FY 2016 evaluation period is shown in Appendix 2. The fee earned will be paid based on the contractor's performance during this annual evaluation period.
- b. Evaluation Criteria. If the CO does not give specific notice in writing to the contractor of any change to the evaluation criteria prior to the start of a new evaluation period, then the same criteria listed for the preceding period will be used in the subsequent award fee evaluation period. Any changes to evaluation criteria will be made by revising Appendix 4 and notifying the contractor.
- c. Annual Evaluations. The PEMP sets forth the annual evaluation period and the criteria upon which the contractor will be evaluated for performance. Award Fee will not be used to incentivize the contractor to meet contract expectations and requirements but will be used to incentivize exceptional performance. The PEMP may be revised unilaterally by the Government at any time during the period of performance. Notification of such changes shall be provided to the contractor 30 calendar days prior to the start of the annual evaluation period to which the changes will apply. Immediately upon final determination of the award fee for the annual evaluation period by the FDO, the contractor will invoice for the fee amount due. Any unearned award fee from each evaluation period shall not be eligible to be earned in any future period(s).
- d. Contractor's Self-Assessment. The contractor is required to submit an annual self-assessment survey of occupational medical program, facilities, and professional staff annual performance relative to the PEMP for preceding fiscal year within seven days after the end of the current evaluation period being reviewed. This assessment includes self-evaluation and supporting data on contractor performance relative to PEMP elements. Data must be adequate to support DOE verification. DOE reserves the right to perform independent assessment(s). This written assessment of the contractor's performance throughout the evaluation period may also contain any information that may be reasonably expected to assist the AFB in evaluating the contractor's performance.

4.1 The AFB will evaluate the contractor's performance and recommend the amount of fee earned, in the following manner:

- a. Evaluate contractor performance and assign an adjectival rating (as defined in Appendix 3) to each of the six Performance Incentives by using the measurement criteria described in Appendix 4.
- b. Exclude from the fee base (as forfeited) all fee allocated to any criterion that is evaluated at the "Satisfactory" or "Unsatisfactory" performance level (as defined in Appendix 3) ;
- c. Correlate the individual adjectival ratings of each of the performance incentives obtained in Appendix 4 with Appendix 3 to determine the recommended fee percentage earned for

each of the individual performance incentives.

- d. Support through narrative description, a recommended fee-earned amount;
- e. Provide recommended earned fee to the FDO for approval/adjustment of the final fee amount earned by the contractor.

Payment of fee is subject to the fee reduction terms of this contract and FDO approval that the contractor has achieved the stated outcomes for the performance incentives. The FDO may accept the fee recommendation as is, or at his/her discretion, make an adjustment to the recommended fee determination. A CO letter summarizing the FDO's evaluation decision and the amount of performance fee earned shall be furnished to the contractor within 60 calendar days of DOE-RL's receipt of the contractor's self-assessment report. This letter constitutes official issuance of the performance fee determination.

5.0 FEE PLAN CHANGE PROCEDURE

All significant changes are approved by the FDO; the AFB Chairperson approves other changes. Examples of significant changes include changing evaluation criteria, adjusting weights to redirect contractor's emphasis to areas needing improvement, and revising the distribution of the fee dollars. The contractor may recommend changes to the CO no later than 60 days prior to the beginning of the new evaluation period. After approval, the CO shall notify the contractor in writing of any change(s). Unilateral changes may be made to the fee plan if the contractor is provided written notification by the CO before the start of the upcoming evaluation period. Changes affecting the current evaluation period must be by mutual agreement of both parties.

6.0 CONTRACT TERMINATION

If the contract is terminated for the convenience of the Government after the start of a fee evaluation period, the fee deemed earned for that period shall be determined by the FDO using the normal fee evaluation process. After termination for convenience, the remaining fee amounts allocated to all subsequent fee evaluation periods cannot be earned by the contractor and, therefore, shall not be paid.

4 Appendices

Appendix 1, PEMP Organization
Appendix 2, Fee Allocation
Appendix 3, Fee Evaluation
Appendix 4, Performance Incentives

APPENDIX 1, PEMP ORGANIZATION

PEMP ORGANIZATION

<i>Members</i>	<i>Name</i>
Fee Determining Official: <i>Manager,</i> <i>U.S. Department of Energy, Richland Operations Office</i>	Stacy Charboneau
Award Fee Review Board Chairperson:	Ashley Morris
Award Fee Review Board Members:	
Program Manager	Ashley Morris
Contracting Officer	Linda Jarnagin
Contracting Staff Member	Marcy Aplet-Zelen
Attorney Staff Member	Paul Davis
Financial Management Staff Member	Kathy Andrews-Smith
Procurement Director	Andrew Wirkkala

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APPENDIX 2, FEE ALLOCATION

FEE ALLOCATION TABLE FOR EVALUATION PERIODS

Objective	Performance Incentive	Allocated Percent	Award-Fee Available to be Earned
1.0: Worker Health and Well-Being	1.1: Provide Quality Clinical Services		
	1.1.a: <u>Federal Occupational Health Assessment(s)</u> : An independent annual surveillance assessment that supplements the contractor's required accreditation as a healthcare organization. This assessment provides additional quality assurance and includes both administrative and clinical assessments of the contractor's delivery of occupational medical services at the Hanford site.	20%	\$66,000
	1.1.b: <u>Contractor response to Site Worker concerns</u> : Measurement of contractor's timely and effective response/mitigation of issues, concerns or complaints from the Hanford Site Workforce.	15%	\$49,500
2.0: Customer Satisfaction	2.1: Obtain High Customer Satisfaction Ratings		
	2.1.a: <u>Patient Satisfaction Survey</u> : Patient/worker survey rating of the level of satisfaction/quality of care received from the contractor.	15%	\$49,500
	2.1.b: <u>RL/ORP-Site Contractor Survey</u> : DOE RL/ORP and Prime contractor survey rating of the quality of service received from the contractor.	15%	\$49,500
Subjective	Performance Incentive	Allocated Percent	Award-Fee Available to be Earned
3.0: Operational Effectiveness	3.1: Effective Site integration		
	3.1.a: <u>Stakeholder Interface</u> : Contractor's responsiveness and alignment of resources to provide interface and integration supporting internal and external stakeholders	15%	\$49,500
	3.1.b: <u>Business Systems Management</u> : Contractor's effectiveness of business systems performance.	20%	\$66,000
Total		100%	\$330,000

DOE-RL encourages the contractor to perform at the highest levels of excellence. Award fee shall not be earned if the contractor's overall schedule and technical performance in the aggregate is at or below satisfactory. The basis for all award-fee determinations shall be documented in the contract file to include, at a minimum, a determination that overall schedule and technical performance in the aggregate is or is not at a satisfactory level. This determination and the methodology for determining the award fee are unilateral decisions made solely at the discretion of the Government.

No Award Fee is available for performance at the Satisfactory level because the contractor is already earning profit in its fixed price amount for such performance.

Performance ratings above the overall rating of satisfactory will reflect the extent to which the contractor, on its own initiative, is actively involved in performance improvement activities and the extent to which these actions contribute to more efficient, effective, and economical operation, thus forming the basis for earning performance fee.

An adjectival rating below Good for total performance is a matter of concern to DOE-RL. Although this rating represents satisfactory performance, it indicates significant room exists for improvement in quality of services delivered. This concern is particularly true in the delivery of occupational medical services area where inadequate levels of performance could cause immediate and detrimental impact upon health and safety.

If the contractor's performance is considered unacceptable in any area of contract performance, the FDO may, at his or her discretion, determine the contractor's overall performance to be unacceptable and withhold the entire performance fee for the evaluation period.

APPENDIX 3, FEE EVALUATION

FEE EVALUATION

Because the services to be provided under this contract directly support the mission contractors, and because such services are integral to the environmental cleanup mission at Hanford, DOE has assigned fee toward the following strategic areas of the contract as shown on Appendix 2, Fee Allocation Table: Worker Health and Well-Being, Customer Satisfaction, and Operational Effectiveness.

Overall Performance Incentive Ratings and Definitions

Award-Fee Adjectival Rating	Award-Fee Pool Available to Be Earned	Description
Excellent	91%--100%	Contractor has exceeded almost all of the significant award-fee criteria and has met overall cost, schedule and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period. Contractor's work is highly professional. Contractor solves problems with very little, if any, Government involvement. Contractor is proactive and takes an aggressive approach in identifying problems and their resolution, including those identified in the risk management process, with a substantial emphasis on performing quality and effective work in a safe manner within schedule requirements. No re-work.
Very Good	76%--90%	Contractor has exceeded many of the significant award-fee criteria and has met overall cost, schedule and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period. Contractor solves problems with minimal Government involvement. Contractor is usually proactive and demonstrates an aggressive approach in identifying problems and their resolution, including those identified in the risk management process, with an emphasis on performing quality and effective work in a safe manner within schedule requirements. Problems are usually self-identified and resolution is self-initiated. Some limited, low-impact rework within normal expectations.
Good	51%--75%	Contractor has exceeded some of the significant award-fee criteria and has met overall cost, schedule and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period. Contractor is able to solve basic problems with adequate emphasis on performing quality and effective work in a safe manner within schedule objectives. The rating within this range will be determined by level of necessary Government involvement in problem resolution, including those problems identified in the risk management process, and extent to which the performance problem is self-identified vs. Government-identified. Some limited, low-impact rework within normal expectations.

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Award-Fee Adjectival Rating	Award-Fee Pool Available to Be Earned	Description
Satisfactory	No Greater Than 50% No Award Fee Available	Contractor has met overall cost, schedule and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period. Contractor has some difficulty solving basic problems, and schedule, safety, and technical performance needs improvement to avoid further performance risk. Government involvement in problem resolution, including those problems identified in the risk management process, is necessary. Some re-work required that unfavorably impacted performance and/or schedule.
Unsatisfactory	0% No Award Fee Available	Contractor has failed to meet overall cost, schedule and technical performance requirements of the contract in the aggregate as defined and measured against the criteria in the award-fee plan for the award-fee evaluation period. Contractor does not demonstrate an emphasis on performing quality and effective work in a safe manner within schedule objectives. Contractor is unable to solve problems and Government involvement in problem resolution, including those problems identified in the risk management process, is necessary. Excessive rework required that had significant unfavorable impact on performance and/or schedule.

APPENDIX 4, Performance Incentives

Performance Incentives

Fee determination and payment will be made in accordance with Section B clause entitled Award Fee for CLINS 002, 005, 008, 011 and 014. The significant award fee criteria for objective incentives consist of the successful completion of specified activities. The subjective evaluation is focused on the achievement of high-level strategies, outcomes, and envisioned end states. The evaluation of all incentives will include a subjective determination regarding quality and effectiveness.

PEMP Item	Title	Good	Very Good	Excellent
Objective 1.0: Worker Health and Well-Being				
1.1	Provide Quality Clinical Services.			
1.1.a. (20%) Federal Occupational Health (FOH) Assessment(s)	The contractor performed to contract requirements, received an overall rating of "Good" in the occupational medicine program assessment, and adequately addressed 70-79% of the themes ¹ .	The contractor performed to contract requirements, received an overall rating of "Very Good" in the occupational medicine program assessment and adequately addressed 80-89% of the themes ¹ .	The contractor performed to contract requirements, received an overall rating of "Excellent" in the occupational medicine program assessment and adequately addressed 90-100% of the themes ¹ .	
1.1.b. (15%) Contractor response to Site worker concerns	DOE determines that the contractor has responded to all of Site Worker initiated issues within one week and resolved 70-79% within 30 days to DOE's satisfaction.	DOE determines that the contractor has responded to all of Site Worker initiated issues within one week and resolved 80-94% within 30 days to DOE's satisfaction.	DOE determines that the contractor has responded to all of Site Worker initiated issues within one week and resolved 95-100% within 30 days to DOE's satisfaction.	

¹Examples of themes include accreditation readiness: beryllium service, building safety, chart reviews, patient record keeping, communication, epidemiology data and studies, medications, peer review, quality improvement program/risk management, self-assessment QA/QC program, staffing, vapor emissions (e.g. Tank Farms), and work site visits. Additional themes, if established, will be communicated to the contractor 30 calendar days in advance (or another time period in advance by mutual agreement).²FOH assessments are based upon comparisons of the contractor's medical programs to general industry standards as well as local, state, and federal regulations and guidelines including:

<ul style="list-style-type: none"> 10 CFR 850 and 851; 	<ul style="list-style-type: none"> Federal Occupational Health's (FOH's) guidelines used for reviewing FOH's approximately 300 health centers across the United States as well as other Federal agency Occupational Health programs;
<ul style="list-style-type: none"> Accreditation Association for Ambulatory Health Care, Inc. (AAAHC); 	<ul style="list-style-type: none"> Joint Commission on Accreditation of Healthcare Organization (JCAHO);
<ul style="list-style-type: none"> American College of Occupational and Environmental Medicine (ACOEM); 	<ul style="list-style-type: none"> National Institute for Occupational Safety and Health (NIOSH);
<ul style="list-style-type: none"> American Thoracic Society. Standardization of Spirometry. American Review of Respiratory Diseases; 1979 119: 831-838; 	<ul style="list-style-type: none"> Miller, Hankinson, et. al., "Standardization of Spirometry" and associated articles within this series; European Respiratory Journal, 2005 26: 153-161, 319-338, 511-522, 948-968;
<ul style="list-style-type: none"> Centers for Disease Control and Prevention (CDC); 	<ul style="list-style-type: none"> Occupational Safety and Health Administration (OSHA), including federal and state regulations;

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PEMP Item	Title	Good	Very Good	Excellent
Objective 2.0: Customer Satisfaction				
2.1	Obtain High Customer Satisfaction Ratings.			
	2.1.a. (15%) Patient Satisfaction Survey	Contractor receives a rating of "Good" or "Very Good": greater than 89.5 - 92% of the respondents on the RL approved patient satisfaction surveys.	Contractor receives a rating of "Good" or "Very Good": greater than 92.5 - 94% of the respondents on the RL approved patient satisfaction surveys.	Contractor receives a rating of "Very Good": greater than 94.5 - 100% of the respondents on the RL approved patient satisfaction surveys.
	2.1.b. (15%) RI/ORP-Site Contractor Survey	Contractor receives a rating of "Good" or "Very Good": greater than 79.5 - 85% of the respondents on the RL approved site contractor satisfaction surveys.	Contractor receives a rating of "Good" or "Very Good": greater than 85.5 - 90% of the respondents on the RL approved site contractor satisfaction surveys.	Contractor receives a rating of "Very Good": greater than 90.5 - 100% of the respondents on the RL approved site contractor satisfaction surveys.

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PEMP Item	Title
Subjective 3.0: Operational Effectiveness	
3.1	Effective Site Integration.
3.1a. (15%) Stakeholder Interfaces	<p>The contractor demonstrates quality and excellence in leadership to maximize management effectiveness, collaboration, and proactive participation with stakeholders (e.g. DOE RL/ORP, Prime Site Contractors, Site-wide Committees to include the Beryllium Program, Hanford Advisory Board, Vapor Management Expert Panel, and Energy Employees Occupational Illness Compensation Program Act).</p> <p>Proactive identification and notification of emerging issues and resource alignment to support Site-wide workforce needs and Site integration.</p> <p>Integration With Other Hanford Contractors – initiate and provide effective participation in business case analyses and other cross-contractor activities leading to optimal utilization of DOE resources (facilities, equipment, material and services).</p>
3.1b. (20%) Business Management	<p>Demonstrate operational excellence in business management (e.g., audits with no corrective action findings).</p> <p>Demonstrate operational excellence in other management systems to include the Employee Job Task Analysis system implementation and stand up by 12/15/15 and the Electronic Medical Records system.</p> <p>Cooperate with DOE during proposal review and negotiation process, including submission of proposals and requests for additional data, timely counteroffers, and conveying positive and professional attitude to achieve fair and timely settlement of change order proposals or requests for equitable adjustment.</p> <p>Provide superior quality key documents (e.g. contract change proposals, deliverables).</p> <p>Demonstrate a robust corrective action management program.</p>